

Message Text

CONFIDENTIAL

PAGE 01 JERUSA 01741 171433Z
ACTION NEA-10

INFO OCT-01 IO-13 ISO-00 SSM-03 DHA-02 OMB-01 EB-07 AID-05
CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00
XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 SY-05 CU-02
MCT-01 DODE-00 PM-04 H-01 L-03 NSC-05 PA-01 PRS-01
SS-15 /109 W

----- 044485 /46

R 171333Z DEC 76
FM AMCONSUL JERUSALEM
TO SECSTATE WASHDC 8554
INFO AMEMBASSY AMMAN
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMEMBASSY TEL AVIV
USMISSION USUN NY

C O N F I D E N T I A L JERUSALEM 1741

E.O. 11652: GDS
TAGS: PINS, ECON, IS, JO
SUBJ: VAT DEVELOPMENTS

REF: JERUSALEM 1730 AND PREVIOUS

1. SUMMARY: WB DELEGATION SET TO DISCUSS VAT WITH MILGOV
WHO REPORTEDLY WILL MAKE CONCESSIONS TO EAST ITS IMPLEMENTATION.
STRIKES AND DEMONSTRATIONS EXPECTED TO TAPER OFF. NO CHRISTMAS
STRIKE IN BETHLEHEM. END SUMMARY

2. AFTER MEETING IN JERUSALEM, REPRESENTATIVES OF THE WEST
BANK CHAMGERS OF COMMERCE HAVE FORMED A DELEGATION TO
DISCUSS THE VAT WITH THE MILGOV ON DEC. 21. ACCORDING TO
THE GOI-CONTROLLED ARABIC DAILY AL 'INBA', THE MILGOV
AT THE REQUEST OF THE MINFIN, IS NOW PREPARED TO EXEMPT STREET
VENDORS AND PROFESSIONAL FROM THE VAT AND DELAY REQUIREMENT
FOR KEEPING BOOKS FOR ONE YEAR.
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JERUSA 01741 171433Z

3. ALTHOUGH THE CHAMBERS OF COMMERCE REPRESENTATIVES
ISSUED NO CALL FOR AN END TO ANTI-VAT STRIKES AND
DEMONSTRATIONS, IT IS WIDELY EXPECTED THAT THE SITUATION
IN WB TOWNS WILL RETURN TO NORMAL OVER THE WEEKEND.
BETHLEHEM WAS COMPLETELY OPEN AND NABLUS PARTIALLY OPEN DEC. 16.

OTHER MAJOR TOWNS, ALTHOUGH STILL ON STRIKE, WERE RELAXED.
THE ONLY SERIOUS CASUALTY REPORTED THUS FAR WAS A YOUNG BOY
SHOT IN THE LEG FOLLOWING A DEMONSTRATION NEAR KALANDIA
DEC. 15.

4. BETHLEHEM'S MAYOR FREIJ HAS ASSURED CONGEN OFFICER THAT
THERE WILL BE NO CHRISTMAS STRIKE IN BETHLEHEM BECAUSE OF
THE VAT. FREIJ HAS BEEN CONTACTED BY ISRAELI MINTOUR KOL
AND ASKED TO KEEP THE CITY OPEN. HE INTENDS TO DO SO IN
ORDER TO "PRESERVE THE SPIRIT OF CHRISTMAS."

5. COMMENT: ACCORDING TO A RELIABLE JOURNALIST WHO HAS
DISCUSSED THE VAT WITH ARAB AFFAIRS ADVISOR IN THE MILGOV,
THE LATTER BELIEVES APPLYING THE VAT ON THE WB IS "STUPID"
AND NOT WORTH THE BOTHER. FREIJ'S IMPRESSION IS THAT
DEFMIN PERES AGREES, AND THAT IT IS, IN LARGE PART, FINMIN
RABINOWITZ' INTRANSIGENCE WHICH PREVENTS A COMPROMISE. WITH-
OUT FURTHER CLARIFICATION, IT IS DIFFICULT TO JUDGE HOW
SIGNIFICANT THE NEW CONCESSIONS WOULD BE. EXEMPTION
OF VENDORS WOULD SEEM LARGELY REDUNDANT SINCE PERSONS WITH
A YEARLY TURNOVER OF LESS THAN IL 75,000 ARE ALREADY EXEMPT.
NEVERTHELESS, IF AL'INBA' IS CORRECT IN ITS REPORT OF NEW
FLEXIBILITY FROM THE FINMIN, CHANCES FOR A COMPROMISE
WILL BE SIGNIFICANTLY IMPROVED SINCE MERCHANTS IN NABLUS AS
WELL AS BETHLEHEM ARE, BY ALL REPORTS, TIRED OF BUSINESS
DISRUPTIONS. AND, ALTHOUGH FREIJ IS NO DOUBT EMBUED WITH THE
CHRISTMAS SPIRIT, THE FACT THAT ABOUT 25 PERCENT OF HIS
SOUVENIR SHOP'S YEARLY BUSINESS IS DONE DURING THE CHRISTMAS
SEASON CERTAINLY REINFORCES HIS DESIRE FOR A TEMPORARY PEACE
AMONG MEN OF GOOD WILL. THROUGH IT ALL, DEMONSTRATIONS HAVE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 JERUSA 01741 171433Z

BEEN REMARKABLY MILD AND CASUALTIES FEW.
NEWLIN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PUBLIC DEMONSTRATIONS, TAXES, MILITARY OCCUPIED AREAS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JERUSA01741
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760465-0036
From: JERUSALEM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761234/aaaabcwo.tel
Line Count: 99
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 JERUSALEM 1730
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2004 by BoyleJA>; APPROVED <13 SEP 2004 by coburnhl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VAT DEVELOPMENTS
TAGS: PINS, ECON, IS, JO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006